



South Carolina House of Representatives

# Legislative Update

Robert W. Harrell, Jr., Speaker of the House

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## CONTENTS

HOUSE WEEK IN REVIEW .....	02
HOUSE COMMITTEE ACTION .....	05
BILLS INTRODUCED IN THE HOUSE THIS WEEK.....	07

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# HOUSE WEEK IN REVIEW

The House of Representatives amended, approved, and sent to the Senate **H.3591**, a bill offering provisions for **COUNTERING THE ILLEGAL METHAMPHETAMINE TRADE**. Currently, over the counter nasal decongestants featuring pseudoephedrine, which can be used in the illegal manufacture of methamphetamine, are readily obtainable from self-service shelves in retail stores. Under this legislation, products whose sole active ingredient is ephedrine or pseudoephedrine may not be offered for retail sale by self-service, but only from behind a counter or other barrier so that such products are not directly accessible by the public but only by a retail store employee or agent. Such products may be offered for retail sale only if sold in blister packaging. No person may deliver in any single over the counter sale more than three packages of any product containing ephedrine or pseudoephedrine as the sole active ingredient or in combination with other active ingredients or any number of packages that contain a combined total of more than nine grams of ephedrine or pseudoephedrine base. A violator of these provisions is guilty of a misdemeanor and, upon conviction for a first offense must be fined not more than five hundred dollars, and, upon conviction for a second or subsequent offense must be imprisoned not more than six months and/or fined not more than one thousand dollars. Persons delivering or selling products containing ephedrine or pseudoephedrine shall require the purchaser to produce a government issued photo identification showing the date of birth of the person and require the purchaser to sign a written or electronic log showing the date of the transaction, name of the person, the person's address, and the amount of the compound, mixture, or preparation. Retail distributors must transmit this log every sixty days to the State Law Enforcement Division. A violator of these provisions is guilty of a misdemeanor and, upon conviction for a first offense must be fined not more than five hundred dollars. Upon conviction for a second or subsequent offense, a person must be imprisoned not more than six months and/or fined not more than one thousand dollars. The legislation provides that it is unlawful for a retail distributor to purchase any product containing ephedrine or pseudoephedrine from any person or entity other than a manufacturer or a wholesale distributor registered by the United States Drug Enforcement Administration. A person convicted of a first offense violation is guilty of a misdemeanor and must be imprisoned not more than one year and/or fined not more than one thousand dollars. A second or subsequent offense is a misdemeanor subject to not more than three years' imprisonment and/or a fine of not more than five thousand dollars. The legislation provides that it is unlawful for any unauthorized person to possess, have under his or her control, manufacture, deliver, distribute, dispense, administer, purchase, sell, or possess with intent to distribute, any substance containing any amount of ephedrine, pseudoephedrine, or any of its salts, optical isomers, or salts of optical isomers which have been altered from their original condition so as to be powdered, liquefied, dissolved, solvated, or crushed. A person convicted of a violation is guilty of a felony and, upon conviction for a first offense must be imprisoned not more than five years and fined not more than five thousand dollars. The court, upon approval from the solicitor, may request as part of the sentence, that the offender enter and successfully complete a drug treatment program. For a second or subsequent offense, the offender is guilty of a felony and, upon conviction, must be imprisoned not more than ten years or fined not less than ten thousand dollars. These restrictions do not apply to: (1) pediatric products labeled under federal regulation as primarily intended for administration to children under twelve years of age according to label instructions; and

(2) products that the Board of Pharmacy, upon application of a manufacturer, exempts because the product is formulated in such a way as to effectively prevent the conversion of the active ingredient into methamphetamine or its variants.

**H.3591** establishes criminal penalties that respond to the particular dangers the illicit methamphetamine trade poses for children. The legislation provides that it is unlawful for an adult to illegally manufacture amphetamine, methamphetamine, or its variants in the presence of a minor child, or to knowingly permit a minor child to be in an environment where these substances are sold or where the paraphernalia and volatile, toxic chemicals used in their manufacture are stored. Upon conviction for a first offense, a violator must be imprisoned not more than five years and/or fined not more than five thousand dollars. Conviction for a second or subsequent offense carries a penalty of imprisonment for not more than ten years and/or a fine of not more than ten thousand dollars.

**H.3591** also provides that it is a felony offense for an unauthorized individual to dispose of waste from the production of methamphetamine. Upon conviction for a first offense, a violator must be imprisoned not more than five years and/or fined not more than five thousand dollars. A second or subsequent offense carries a penalty of imprisonment for not more than ten years and/or a fine of not more than ten thousand dollars.

The House approved and sent to the Senate, as amended, **H.3702**, a bill that revises provisions allowing **CONTRACTS FOR SCHOOL TRANSPORTATION SERVICES** at the local level. The legislation authorizes school districts, rather than county boards of education, to enter into these contracts with private individuals or contractors to provide school transportation services. The legislation also revises the formula for state aid received by school districts that have contracted out transportation services, so as to provide that districts shall receive aid from the State as calculated by the State Budget and Control Board to include that district's proportional share of the current year's state appropriations of any money used for school transportation activities (including fuel, maintenance, parts, driver's salaries, insurance, and any other relevant activities) based on actual expenditures in that district as they relate to total statewide expenditures for school transportation activities in the year previous to the decision to contract. The State Department of Education promptly shall deliver to the Budget and Control Board a full and complete accounting of all state expenditures on school transportation upon request.

The House approved and enrolled for ratification **S.965**, pertaining to the **COMMISSION FOR THE BLIND VENDOR PROGRAM**. This joint resolution directs the South Carolina Commission for the Blind to reimburse blind vendors for all set-asides collected under the 2005 appropriations act provision which required set-asides to be collected from canteens operated through the Commission's blind vendor program that generated revenues above certain levels. The joint resolution eliminates these set-aside provisions.

The House approved and sent to the Senate **H.4419**, which pertains to **NEGOTIATED TAXES AS A RESULT OF A BANKRUPTCY**. This bill authorizes a county treasurer to accept a lesser amount than a taxpayer's original tax bill together with any applicable penalties, costs, and charges whenever a bankruptcy proceeding authorizes a lesser amount to be paid. The auditor may prepare a tax bill to authorize negotiated taxes as a result of a bankruptcy.

The House amended, approved, and sent to the Senate **H.4422**. This bill authorizes the Department of Transportation to impose and collect a **TOLL ON THE PROPOSED INTERSTATE 73 CORRIDOR** upon completion of this highway project. This toll must be used to pay for the cost of planning, right-of-way acquisitions, financing, construction, operation, and other expenses associated with this highway project, and for the removal of the tolls upon payment of all such costs. This toll must not be imposed upon a state-owned or district-owned school bus.

The House gave second reading approval to **H.4404**, a bill that establishes **SAFETY NET PROGRAMS FOR ELECTRIC AND NATURAL GAS CUSTOMERS WITH SPECIAL NEEDS** to ensure that their utility services are protected from termination during extreme weather conditions. The legislation provides that during the heating season (December through March) and cooling season (June through August), a public utility may not disconnect residential service on a day when the National Weather Service predicts that the local forecasted average temperature will exceed specified extremes. A public utility is required to establish and maintain a program that allows a customer to register as a special needs customer if the individual is: (a) sixty-five years of age or older and unable to pay the amount of the charges due for services; or (b) disabled, chronically ill, seriously ill, or on life support. Each public utility shall establish a written procedure for disconnection of service for a special needs customer and during extreme weather conditions. If a public utility has scheduled a disconnection of service of a registered special needs customer not less than ten days before a scheduled disconnection, the public utility shall mail a written disconnection notice. If the registered special needs customer has not paid or arranged for payment, the public utility shall mail a written notice of scheduled disconnection three days before the scheduled disconnection of service. Before the service is disconnected from a registered special needs customer, the public utility's disconnection crew shall make a good faith effort to make personal contact with either the registered special needs customer, the account holder, or a responsible person of suitable age and discretion at the premises before disconnecting the service. If the disconnection crew makes such contact and is advised that the registered special needs customer has serious health concerns, disconnection must be suspended. The crew shall notify the public utility that the disconnection has been suspended and the public utility shall either follow its internal special needs customer review process or, if the account holder or the registered special needs customer requests a payment extension from the disconnection crew, the scheduled disconnection must be suspended for one full business day beyond the scheduled date for disconnection. A public utility is required to establish and maintain a Winter Protection Program that automatically includes all registered special needs customers. Other customers may register for the Winter Protection Program with a medical certificate signed by a licensed health care provider attesting that termination of electric or natural gas service would be dangerous to the customer's health due to the customer's medical conditions. The medical certificate submitted with the application for the Winter Protection Program may indicate that the customer's medical condition is permanent or that the certificate is effective only for thirty, sixty, ninety, or one hundred twenty-day periods. After this effective period, the customer is required to submit a renewed medical certificate in order to continue to be registered as a Winter Protection Program customer. During the heating season of December through March, a public utility may not disconnect residential service when an account holder can provide to the public utility the application for the Winter Protection Program no less than three days before proposed disconnection of service or to the disconnection crew at time of

disconnection. A public utility is also required to establish and maintain a third-party notification program under which any residential customer may designate a third party to receive all appropriate notifications regarding disconnection of services. The legislation requires public utilities to issue certain notifications and public announcements so that customers are informed of the availability of these programs. The legislation limits the liability of a public utility that complies with these provisions to actual damages, not to exceed two hundred thousand dollars for each occurrence.

## HOUSE COMMITTEE ACTION

### AGRICULTURE, NATURAL RESOURCES, AND ENVIRONMENTAL AFFAIRS

The full Agriculture, Natural Resources, and Environmental Affairs Committee did not meet this week.

### EDUCATION AND PUBLIC WORKS

The Full Education and Public Works Committee reported favorable with amendment on **H.4328**, a bill regarding the **STATEWIDE ASSESSMENT PROGRAM**. Highlights of the bill as amended by the Committee are as follows:

- Requires the Budget and Control Board to request proposals for the purpose of conducting a study on the feasibility and cost of converting the state assessment program to a computer-based or computer-adaptive format with the report issued no later than December 15, 2006. The bill lists specifications of the study.
- Changes the definition of 'objective and reliable statewide assessment' to allow for a portion of which to contain only multiple choice questions designed to reflect a range of cognitive abilities beyond the knowledge level.
- Includes a definition of 'formative assessment.'
- Further defines that the state assessment program be designed to promote student learning and provide professional development to educators.
- Clarifies that the exit examination is to be given first in a student's second year of high school enrollment.
- Specifies that the science and social studies portion of the exit exam shall be met by passage of a high school credit course in science and a course in United States history in which end-of-course examinations are administered beginning in 2010.
- Requires the State Board of Education to create by December 31, 2006, a statewide adoption list of formative assessments aligned with the state content standards; provides that for use beginning with the 2007-2008 school year, with funds appropriated by the General Assembly, local districts must be allocated resources to select and administer formative assessments;
- Requires the adoption of a developmentally appropriate formative reading assessment for use in the first and second grades.

- Requires on-going professional development in the creation and use of classroom assessments, the use of formative assessments and the use of the end-of-year state assessments.
- Requires field test items to be embedded with the annual assessments.
- Allows for the development of a sampling plan to administer science and social studies assessments for elementary and middle school students so that students would not be required to take both tests except in census grade testing as required by NCLB.
- Calls for the establishment of a task force to recommend alternative evidence and procedures that may be used to allow students with documented disabilities to meet graduation requirements even if they have failed the exit examination.
- Requires the annual convening of curriculum experts to analyze the results of the assessments, including item by item performance and a plan for disseminating additional information about the assessment results to districts.

## **JUDICIARY**

The full Judiciary Committee did not meet this week.

## **LABOR, COMMERCE AND INDUSTRY**

The full committee did not meet this week.

## **MEDICAL, MILITARY, PUBLIC AND MUNICIPAL AFFAIRS**

The full Medical, Military, Public and Municipal Affairs Committee met on Wednesday, January 18, and elected Rep. Nathan Ballentine as Second Vice-Chairman.

## **WAYS AND MEANS**

The full Ways and Means Committee did not meet this week.

# **BILLS INTRODUCED IN THE HOUSE THIS WEEK**

## **AGRICULTURE, NATURAL RESOURCES, AND**

## ENVIRONMENTAL AFFAIRS

### **H.4448 GAME ZONE 1 AND 2 REVISIONS Rep. Hiott**

This bill revises the boundaries of Games Zones 1 and 2. Relating to the open season for taking antlered deer, this bill revises the open season in Game Zone 1 and the equipment that may be used during certain periods. Relating to bear hunting in Game Zone 1, this bill revises the open season for taking bear and the equipment that may be used during certain periods, as well as the procedures that must be followed when a bear is taken.

### **H.4457 ANIMAL SHELTERS Rep. McGee**

This bill provides that no animal shelter in this State may donate, sell, or transfer a living animal for animal research.

## EDUCATION AND PUBLIC WORKS

### **S.586 MANAGEMENT OF VEGETATION ALONG HIGHWAY MEDIANS Sen. Short**

This bill provides that the Department of Transportation may conduct at its discretion a vegetation management project on the medians, roadsides, and interchanges along the interstate highway system, but before implementation of the project, the Department must consult with the local governmental authority that has jurisdiction over the portion of the highway subject to the project.

### **S.947 REAUTHORIZATION OF FIRST STEPS PROGRAM Sen. Courson**

The provisions of Act 99 of 1999, the South Carolina First Steps to School Readiness Act, are repealed July 1, 2007, unless reauthorized by the General Assembly. This joint resolution reauthorizes the provisions of this act until July 1, 2013.

### **H.4463 OBJECTIVES OF PERFORMANCE-BASED ACCOUNTABILITY SYSTEM Rep. Hardwick**

This bill amends the Education Accountability Act of 1998 so as to provide that the annual report cards required under the Act must also furnish information about countywide performance.

### **H.4475 FREEMASONRY SPECIAL LICENSE PLATES Rep. Huggins**

This bill authorizes and provides for the issuance of Freemasonry special license plates. After deduction of funds necessary to defray the expenses of producing and administering sale of the tags, remaining funds from the license fee would be distributed to the Eau Claire Masonic Lodge #344 in Richland County.

### **H.4481 MANAGEMENT OF VEGETATION ALONG HIGHWAY MEDIANS Rep. Martin**

This bill provides that the Department of Transportation may conduct at its discretion a vegetation management project on the medians, roadsides, and interchanges along the interstate highway system, but before implementation of the project, the Department must consult with the local governmental authority that has jurisdiction over the portion of the highway subject to the project.

## JUDICIARY

### **H.4438 RELEASE FROM CUSTODY AFTER POSTING BOND Rep.**

**Rutherford**

This bill requires that a person must be released from custody no later than one hour after posting bond with the clerk of court or other appropriate official.

### **H.4445 INCREASED PENALTIES ASSOCIATED WITH A VIOLATION OF THE PROVISIONS THAT REQUIRE A CHILD TO BE SECURED IN A MOTOR VEHICLE PASSENGER RESTRAINT SYSTEM**

**Rep. Funderburk**

This legislation pertains to the provisions that require a child to be secured in a motor vehicle passenger restraint system. Current law provides that a person may not be taken into custodial arrest for violation of these provisions; this bill deletes the prohibition on custodial arrest for a violation. This bill increases the maximum fine from \$25 dollars to \$200 dollars for a violation. The bill further provides that if a violation results in injury to a child, the violator, upon conviction, must be fined not more than \$500 dollars or imprisoned not more than 30 days.

### **H.4447 INCREASED NUMBER OF JUSTICES ON THE SOUTH CAROLINA SUPREME COURT Rep. F.N. Smith**

The South Carolina Supreme Court is comprised of five justices. This joint resolution proposes to submit to the voters at the next general election whether or not to increase the number of justices from five to seven.

### **H.4452 AMENDMENTS TO THE "LAW ABIDING CITIZENS SELF-DEFENSE ACT OF 1996" Rep. Witherspoon**

This bill decreases from eight to six the number of handgun educational course hours a person must obtain to satisfy the "proof of training" requirement contained in the Law Abiding Citizens Self-Defense Act of 1996.

### **H.4456 "SOUTH CAROLINA CRIMESTOPPERS ACT" Rep. Harrison**

The bill establishes the South Carolina Crimestoppers Council as a nonprofit organization and outlines the duties of the council. Provisions of the legislation include:

- A court may order a defendant to repay to a Crimestoppers Organization or to the Crimestoppers Council a reward issued by either entity.



- The bill provides for the reimbursement of monies paid by a Crimestoppers Organization or the Crimestoppers Council for information that results in the arrest of an individual where monies are confiscated and forfeited pursuant to an arrest. The bill also provides for the maintenance and disbursement of funds reimbursed.
- The bill includes provisions for the admissibility of certain evidence, protected information, and protected identities in a court proceeding.
- The bill provides immunity from civil liability for certain persons who communicate with, act on privileged communication, or are officers or employees of a Crimestoppers Organization or the Crimestoppers Council.
- A public body may not disclose a privileged communication, protected information, or a protected identity except under certain conditions.

**H.4471 JURISDICTION OF ACTIONS PERTAINING TO A COMMERCIAL LEASE RELATIONSHIP Rep. Clemmons**

In a commercial lease relationship, this bill provides that the magistrate shall retain jurisdiction over an ejectment action and corresponding compulsory counterclaims, regardless of the amount of the counterclaim. With regards to concurrent jurisdiction of circuit court judges and magistrates, this bill provides that in a commercial lease relationship the magistrate shall sever and transfer to circuit court claims or permissive counterclaims filed in magistrate's court in connection with an ejectment action if those claims exceed the jurisdictional amount, while retaining jurisdiction over the ejectment action and compulsory counterclaims. Relating to the trial of a contested ejectment action resulting from a commercial lease arrangement, this bill requires that the action be heard, with priority, at the next term of court and that the tenant tender rent due and accruing as of and during the pendency of the action.

**H.4473 EMERGENCY CONCEALED WEAPON PERMITS Rep. Ceips**

This bill authorizes the State Law Enforcement Division to issue emergency permits that allow certain persons to carry a concealed weapon. The bill provides that when an order of protection is issued, the clerk of court must provide the petition's applicant with an informational sheet that explains the applicant's right to apply for a permit to carry a concealed weapon. The bill further provides that the judge that issues an order of protection must inform a victim of criminal domestic violence verbally and in writing that the victim is eligible to obtain a permit to carry a concealed weapon.

**H.4478 AMENDMENTS TO THE "SOUTH CAROLINA TORT CLAIMS ACT" Rep. Herbkersman**

This bill provides that the limitations of the Tort Claims Act do not apply if the tort committed by an employee of a governmental entity is found to be arbitrary or capricious. The bill further provides that in these circumstances the employee must be considered to be acting outside the scope of his official duty.

## **LABOR, COMMERCE AND INDUSTRY**

**H.4462 UNLAWFUL TO REJECT ELIGIBLE AUTOMOBILE RENTER OR**

***LESSEE Rep. Howard***

This bill provides that it is an unfair trade practice and unlawful for a person who leases or rents a motor vehicle for compensation in this State to refuse to lease or rent a motor vehicle to a person who otherwise qualifies as a lessee or renter and who: (1) has reached the requisite age for military service; (2) holds a valid driver's license; and (3) demonstrates proof of motor vehicle liability insurance.

**H.4472 *MOTORCYCLE DEALER FRANCHISE RESTRICTIONS Rep.***

**Clemmons**

This bill revises provisions that restrict a motorcycle manufacturer who seeks to enter into a franchise establishing an additional new motorcycle dealership or relocating an existing new motorcycle dealership in a relevant market area where this line make is represented.

**H.4474 *SECOND INJURY FUND'S ASSESSMENT Rep. Cooper***

This joint resolution clarifies the November 1, 2005, action of the State Budget and Control Board relating to the Second Injury Fund's assessment. The State Budget and Control Board requests that the Second Injury Fund make due immediately and payable only fifty percent of the amount assessed; and the Fund make due and payable the remaining fifty percent of the amount assessed only if and when the State Budget and Control Board determines that fiscal year to date Fund disbursements project a Fund balance of less than fifty million dollars to occur before June 30, 2006.

**H.4477 *LOTTERY COMMISSION REQUIRED TO BANK WITH IN-STATE INSTITUTIONS Rep. Scarborough***

This bill revises the authority of the South Carolina Lottery Commission, so as to require that the commission's banking relationships be with banking institutions whose principal places of business are located in this state.

## **MEDICAL, MILITARY, PUBLIC AND MUNICIPAL AFFAIRS**

**H.4460 *HAIR BRAIDING Rep. R. Brown***

Relating to the definition of terms used in the licensure and regulation of barbers, this bill provides that the term "hair braiding" includes the use of hair extensions or wefts.

## **WAYS AND MEANS**

**H.4432 *HOMESTEAD EXEMPTION Rep. Witherspoon***

This bill provides that legal residents of another state after a period of five years of continuous and recurring presence in South Carolina for each of those five years may designate a residence they own in South Carolina which shall receive the homestead exemption property tax benefits if they would otherwise be qualified for the homestead exemption except for not being a legal resident of South Carolina.

**H.4433 RETIREMENT CONTRIBUTIONS FOR CERTAIN TERI PROGRAM PARTICIPANTS AND RETIREES Rep. Skelton**

This joint resolution waives the payment of employee contributions to the State Retirement System and the State Police Officers Retirement System for TERI Program participants and retirees of those two systems who were in covered employment with the state at all times during the "base period." The "base period" is defined in the bill as the interval beginning after June 29, 2005, and continuing until the waiver begins. The resolution provides that the waiver begins with respect to compensation paid to an employee, after the month in which the resolution is approved by the Governor.

The waiver continues, in the case of eligible TERI Program participants, until their participation in the program terminates; and for eligible retired members of the South Carolina Retirement System and the South Carolina Police Officers Retirement System, the waiver continues for so long as the employee continues in the same job as the employee held during the base period. The joint resolution requires that the contributions must be paid by the employee's employer.

**H.4434 TAX CREDIT FOR COST OF TRAINING AN EMPLOYEE Rep. W.D. Smith**

This bill allows and provides for a credit against the income tax liability of a taxpayer in the amount of one hundred percent of the costs incurred by the taxpayer in training an employee.

**H.4443 AGRICULTURAL REAL PROPERTY Rep. Chalk**

For purposes of property tax equalization, this bill amends the definition of "agricultural real property." The amended definition includes a requirement that the property is used for "commercial purposes" as provided in the bill.

**H.4444 PROPOSED CONSTITUTIONAL AMENDMENT REGARDING PROPERTY TAX CLASSIFICATIONS Rep. Chalk**

This joint resolution proposes an amendment to the South Carolina Constitution relating to classifications of property for purposes of *ad valorem* property taxation. The proposed amendment would add a classification, with an assessment of two percent of its fair market value, for an undeveloped tract of land containing at least twenty-five acres and not qualifying as agricultural property.

**H.4446 MORATORIUM ON STATE CORPORATE INCOME TAXES Rep. Kennedy**

This bill allows a moratorium on state corporate income taxes or insurance premium taxes to a taxpayer who makes a prescribed minimum investment in this State and who creates a prescribed minimum number of jobs in a qualifying county.

**H.4449 PROPERTY TAX REFORM Rep. Cotty**

This bill imposes an additional two-cents sales tax and puts the revenue generated from this tax into the Homestead Exemption Trust Fund (the Fund). The bill also removes the sales tax on unprepared food. Other highlights of the bill are as follows:

- Provides an exemption from all property taxes on owner-occupied residential property, other than those taxes imposed for the repayment of general obligation debt;

## **Legislative Update, January 24, 2006**

- Provides that 2006 is the base tax year for establishing fair market value, and after that year, assessed value for a property will be its fair market value as appraised when ownership of the property was transferred. This amount will be increased to reflect the fair market value of substantial improvements at the time the improvement is made;
- Provides that during 2007, property taxing entities will be reimbursed on a dollar for dollar basis. Beginning in 2008, taxing entities other than school districts will be reimbursed on a per-capita basis based on population. No property taxing entity will receive less in reimbursements beginning in 2008 than it received in 2007;
- Provides that during 2007, school districts must be reimbursed from the Fund on a dollar for dollar basis; beginning in 2008, funds will be distributed to school districts in the same manner Education Finance Act funds are distributed to school districts at that time. No district will receive less in reimbursements beginning in 2008 than it received in 2007.
- Provides that beginning in 2008, reimbursements to all property taxing entities must be increased annually by the percentage of population growth plus the CPI, or 6%, whichever is less. The portion of the Local Option Sales Tax collected by counties for property tax relief on owner occupied homes will be included in the calculation for reimbursements.
- Requires that beginning in 2007, funds derived by a county for a Local Option Sales Tax passed for property tax relief must be used for property tax relief on all remaining classes of property;
- Requires that if there are not sufficient funds in the Homestead Exemption Fund to pay all required reimbursements, the difference must be paid from the General Fund;
- Provides that the sales tax exemptions will be reviewed every ten years starting in 2010.

### **H.4450 CONSTITUTIONAL AMENDMENT REGARDING PROPERTY TAX REFORM Rep. Cotty**

Relating to **H.4449** (see above), this joint resolution proposes to amend the South Carolina Constitution as follows:

- An amendment which would provide that the fair market value of real property for property tax purposes means its fair market value when ownership of the property was last transferred, increased by the fair market value of improvements made to the property since its ownership last was transferred; the amendment also allows the General Assembly to define by statute an ownership transfer, and an improvement to real property, and to provide a base year for determining initial fair market value.
- An amendment which provides for an additional homestead exemption over and above the current exemption, equal to one hundred percent of the fair market value of a homestead as prescribed by the General Assembly by law; this

exemption would not apply to property tax imposed for payment of general obligation debt.

**H.4455 “SCHOOL FACILITIES BOND ACT” Rep. Cobb-Hunter**

This bill provides that beginning with Fiscal Year 2006-2007 and continuing for four years thereafter, an additional three hundred million dollars in school facilities bonds may be issued. The bill provides for allocation of these bonds to school districts based on a formula which gives priority consideration to districts with higher percentages of students eligible for free or reduced price lunches, the financial ability of a district to fund new school facilities or improve existing facilities under the Education Finance Act, and remaining capacity of a district to issue additional capital improvement bonds.

**S.1026 APPROPRIATION OF FUNDS TO PREVENT GAAP  
GENERAL FUND DEFICIT Sen. Leatherman**

This joint resolution appropriates \$104,934,400 from 2004-05 general fund surplus revenues for the purpose of preventing an accumulated Generally Accepted Accounting Principles (GAAP) deficit in that amount in the State General Fund.

**H.4465 SALES AND USE TAX EXEMPTIONS Rep. Harrell**

This bill replaces the Joint Committee on Taxation with the Tax Study Commission (the Commission) and provides for the membership and duties of the Commission. The bill provides that among the duties of the Commission, in addition to the duties currently required of the Joint Committee on Taxation, is the review and evaluation of tax legislation introduced or prepared for introduction in the General Assembly for the specific effects such legislation would have on the state's tax structure, and the evaluation of how proposed tax law changes relate to the adequacy, equity, and efficiency of the state's tax structure.

The bill provides that the first order of business for the Commission is to review all exemptions currently allowed in the South Carolina Sale and Use Tax Act (the Act) and make a report and recommendations of the review, as described in the bill, to the General Assembly and the Governor before January 9, 2007. The report must include specific recommendations with respect to the elimination or revision of current exemptions, and if such eliminations or revisions are recommended, the Commission must include in its report a reduced state sales and use tax rate adjusted to the nearest tenth of a percent to remain revenue neutral when applied to the increased sales and use tax base resulting from the report's approval by the General Assembly.

The bill includes a provision that if the General Assembly, by joint resolution, fails to approve or disapprove the recommendations and conforming changes to the Act by July 1, 2007, the recommendations and changes in the Act take effect as specified in the recommendations and conforming changes.

The bill provides that amendments to the recommendations and proposed conforming changes in the Act may not be made by the General Assembly while under consideration for approval or disapproval except with respect to the rate of the state sales and use tax included in the report, which the General Assembly may amend only for the purpose of maintaining revenue neutrality. The General Assembly may by concurrent resolution request the Commission to withdraw its recommendations and conforming changes and resubmit them with revisions, but the decision to take this action rests solely with the Commission.

The bill provides that the Commission is repealed July 1, 2011, unless the General Assembly enacts legislation before that date extending the existence of the Commission. The Joint Committee on Taxation is abolished when the bill becomes effective.

**H.4466 *UNIFORMED SERVICES RECRUITMENT AT STATE INSTITUTIONS OF HIGHER LEARNING* Rep. Viers**

This bill provides that any institution of higher learning in South Carolina, or a college, professional school, or component of the institution of higher learning, which does not provide recruiters of any branch of the uniformed services of the United States with the same access it provides to nonmilitary recruiters for the purpose of student recruitment shall have its state fund appropriations for general operating purposes reduced by ten percent and withheld for the following fiscal year and for each fiscal year thereafter until the access denial is remedied.

**H.4479 *BINGO* Rep. Jennings**

This bill provides amendments to the Bingo Tax Act of 1996. Highlights of those amendments include:

- A provision that reference in the Act to the “organization” means the nonprofit organization licensed to sponsor the game of bingo;
- Relating to the regulation of the game of bingo, a provision replacing the word “charity” with “organization”;
- A provision that the nonprofit organization conducting the game of bingo must expend its proceeds after expenses within the county and for the benefit of the county which is the site of the game of bingo it conducts.

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